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September 11, 2002

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To: Community Based Alternatives (CBA)
Assisted Living/Residential Care (AL/RC) Providers

Subject: Long Term Care (LTC)
Information Letter No. 02-25
CBA Rate Changes

The Texas Health and Human Services Commission (HHSC) approved rate changes for the Community Based Alternatives (CBA) Assisted Living/Residential Care (AL/RC) providers. These rates are effective September 1, 2002 through December 31, 2002. The new rates are included on the attached Reimbursement Rate Chart, which should be substituted for section 2600 of the CBA Provider Manual until a manual revision is distributed.

All claims for services delivered on or after September 1, 2002, will be processed using the new payment rates. Claims submitted by the provider for any services delivered on or after September 1, 2002, should be prepared using the new rates.

INCENTIVE RATES

In order to comply with the General Appropriations Act, House Bill (HB) 1 of the 76th Legislature, HHSC continues to offer the attendant Compensation Rate Enhancement to incentivize contracted providers to increase wages and benefits for community care attendants. The agency rules for the Attendant Compensation Rate Enhancement can be found in Title 1 of the Texas Administrative Code §355.112. The General Appropriations Act, HB 1, of the 76th Legislature increased funding for attendant wages so that additional levels of enhanced rates could be offered to contracted providers who choose to participate in the Attendant Compensation Rate Enhancement. Contracted providers who choose to participate must submit spending reports and must meet the spending requirements for the attendant compensation rate component or unspent revenues below the spending requirement will be recouped by the Texas Department of Human Services. Contracted providers who choose not to participate in the Attendant Compensation Rate Enhancement will not receive the enhanced attendant rates and the attendant compensation rate component will remain constant over time, except for adjustment necessitated by increases in the federal minimum wage.

During the open enrollment in July 2002, contracted providers were offered the opportunity to enroll as participants and to select the enhanced rate level at which they desired to participate. Twenty enhanced rate levels were offered for selection; however, the actual rate level awarded is contingent on available funding. Providers participating in the Attendant Compensation Rate Enhancement may access the Rate Analysis Department web site at www.hhsc.state.tx.us/medicaid/programs/rad/Index.html to confirm the level of enhancement awarded and to verify their reimbursement rates.

Please contact Alisa Jacquet, at (512) 685-3129, if you have any questions about the Attendant Compensation Rate Enhancement. Please contact your contract manager if you have any further questions regarding this information letter. Contract managers should call Rudy Gomez at (512) 438-3740 if they have questions regarding this information letter.

Sincerely,

Signature on file

Becky Beechinor
Assistant Deputy Commissioner
Long Term Care Services

BB:ck

Attachment

§49.7 — Method of Payment. Two methods of payment are used to purchase services:

- (1) Cost reimbursement. Payment is directly related to the allowable, reimbursable costs incurred by the provider agency.
 - (2) Unit rate. A provider agency with a unit rate contract receives payment according to each unit of service provided. The Texas Board of Human Services sets either a fixed unit rate or a unit rate ceiling. For services with a unit rate ceiling, the rate negotiated with the provider agency must be at or below the Board-approved ceiling; the negotiated rate then becomes the unit rate for that particular contract.
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Enhanced rates are available to contracted CBA HCSS and AL/RC providers that choose to participate in the Attendant Compensation Rate Enhancement option. The Attendant Compensation Rate Enhancement option was introduced to incentivize increased wages and benefits for community care attendants. The participant and nonparticipant rates are included on the following reimbursement charts. [HHSC Rate Analysis](#) is solely responsible for annually enrolling or disenrolling current and new contracted providers in the Attendant Compensation Rate Enhancement option. The open enrollment period is July 1 through July 31.

A provider that wants more information on the Attendant Rate Enhancement option can contact:

[Health and Human Services Commission Rate Analysis](#)
[Mail Code Y-995](#)
[1100 West 49th Street](#)
Austin, Texas [78714](#)
(512) [685-3124](#)

Community Based Alternatives

The rates for CBA-HCSS program services as of [9/1/02](#) are:

Service	Rate Per	Amount
Pre-Enrollment Home Health Assessment	Assessment	130.70
Nursing Services		
Registered Nurse	Hour	33.81
Licensed Vocational Nurse	Hour	25.34
Physical Therapy	Hour	65.29
Occupational Therapy	Hour	62.28
Speech Pathology	Hour	61.22
Respite In Home	Day	230.93
Adaptive Aids	Year	10,000.00
Minor Home Modifications	CAP	7,500.00
Ongoing Minor Home Modification — Repair/Replacement	Year	300.00

Personal Assistance Services (PAS)

Twenty levels of participant rates were offered during the enrollment period with each level increasing in \$.05 increments.

Service	Rate Per Unit of Service
Nonparticipant	9.93
Participant — Level 1	9.98
Participant — Level 2	10.03
Participant — Level 3	10.08
Participant — Level 4	10.13
Participant — Level 5	10.18
Participant — Level 6	10.23
Participant — Level 7	10.28
Participant — Level 8	10.33
Participant — Level 9	10.38
Participant — Level 10	10.43
Participant — Level 11	10.48
Participant — Level 12	10.53
Participant — Level 13	10.58
Participant — Level 14	10.63
Participant — Level 15	10.68
Participant — Level 16	10.73
<u>Participant — Level 17</u>	<u>10.78</u>
<u>Participant — Level 18</u>	<u>10.83</u>
<u>Participant — Level 19</u>	<u>10.88</u>
<u>Participant — Level 20</u>	<u>10.93</u>

Adaptive Aids and Medical Supplies

Cost of Adaptive Aid or Medical Supply by Range					
<\$500	\$500 to \$999.99	\$1,000 to \$1,499.99	\$1,500 to \$1,999.99	\$2,000 to \$2,499.99	\$2,500 to \$2,999.99
Requisition Fee Amount					
10% of cost of item	\$54.03	\$92.85	\$105.66	\$118.86	\$134.21
Cost of Adaptive Aid or Medical Supply by Range					
\$3,000 to \$3,499.99	\$3,500 to \$3,999.99	\$4,000 to \$4,499.99	\$4,500 to \$4,999.99	\$5,000 & Over	
Requisition Fee Amount					
\$140.81	\$147.02	\$153.62	\$160.22	\$168.96	

Minor Home Modifications

Cost for Minor Home Modification by Range						
<\$500	\$500 to \$999.99	\$1,000 to \$1,499.99	\$1,500 to \$1,999.99	\$2,000 to \$2,499.99	\$2,500 to \$2,999.99	\$3,000 to \$3,499.99
Requisition Fee Amount						
10% of cost of item	\$80.04	\$118.86	\$131.67	\$163.89	\$196.50	\$227.19
Cost for Minor Home Modification by Range						
\$3,500 to \$3,999.99	\$4,000 to \$4,499.99	\$4,500 to \$4,999.99	\$5,000 to \$5,499.99	\$5,500 to \$5,999.99	\$6,000 to \$6,499.99	\$6,500 & Over
Requisition Fee Amount						
\$258.27	\$284.28	\$309.90	\$335.91	\$361.92	\$395.15	\$428.76

The rates for CBA-AFC program services as of [9/1/02](#) are:

Service	Rate Per	Amount
Adult Foster Care Level 1	Day	18.92
Adult Foster Care Level 2		32.63
Adult Foster Care Level 3		66.25
Adult Foster Care Respite		
Adult Foster Care Level 1		32.81
Adult Foster Care Level 2		46.52
Adult Foster Care Level 3		80.15

The **nonparticipant** rates for CBA-AL/RC program services as of 9/1/02 are:

Service	Rate Per	Amount
Assisted Living-Apartment	Day	<u>40.36</u>
Residential Care-Apartment		<u>31.54</u>
Residential Care-Non-Apartment		<u>24.10</u>
Personal Care 3		64.86
Assisted Living Respite		
Assisted Living-Apartment		<u>55.50</u>
Residential Care-Apartment		<u>46.67</u>
Residential Care-Non-Apartment		<u>39.23</u>

The **participant** rates for CBA-AL/RC program services as of 9/1/02 are:

Service	Rate Per	Participant Level 1 Amount
Assisted Living - Apartment		
AL 1 Tile Levels 201, 203, 204 & 205	Day	<u>61.18</u>
AL 2 Tile Levels 202, 206 & 207		<u>57.03</u>
AL 3 Tile Level 208		<u>51.37</u>
AL 4 Tile Level 209		<u>53.60</u>
AL 5 Tile Level 210		<u>48.32</u>
AL 6 Tile Level 211		<u>46.88</u>
Residential Care - Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		<u>54.52</u>
AL 2 Tile Levels 202, 206 & 207		<u>50.37</u>
AL 3 Tile Level 208		<u>44.71</u>
AL 4 Tile Level 209		<u>46.94</u>
AL 5 Tile Level 210		<u>41.67</u>
AL 6 Tile Level 211		<u>40.22</u>
Residential Care - Non-Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		<u>38.40</u>
AL 2 Tile Levels 202, 206 & 207		<u>34.25</u>
AL 3 Tile Level 208		<u>28.60</u>
AL 4 Tile Level 209		<u>30.82</u>
AL 5 Tile Level 210		<u>25.55</u>
AL 6 Tile Level 211		<u>24.10</u>

[Twenty](#) levels of participant rates were offered during the enrollment period. The following amounts are added to the level one rates above to calculate the total rate for each level.

Participant Level	Amount Added to Level 1
Participant — Level 2	.05
Participant — Level 3	.10
Participant — Level 4	.15
Participant — Level 5	.20
Participant — Level 6	.25
Participant — Level 7	.30
Participant — Level 8	.35
Participant — Level 9	.40
Participant — Level 10	.45
Participant — Level 11	.50
Participant — Level 12	.55
Participant — Level 13	.60
Participant — Level 14	.65
Participant — Level 15	.70
Participant — Level 16	.75
Participant — Level 17	.80
Participant — Level 18	.85
Participant — Level 19	.90
Participant — Level 20	.95

Service	Rate Per	Participant Level 1 Amount
Assisted Living — Respite		
Assisted Living - Apartment Participant		
AL 1 Tile Levels 201, 203, 204 & 205	Day	<u>76.31</u>
AL 2 Tile Levels 202, 206 & 207		<u>72.16</u>
AL 3 Tile Level 208		<u>66.50</u>
AL 4 Tile Level 209		<u>68.73</u>
AL 5 Tile Level 210		<u>63.45</u>
AL 6 Tile Level 211		<u>62.01</u>
Residential Care - Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		<u>69.65</u>
AL 2 Tile Levels 202, 206 & 207		<u>65.50</u>
AL 3 Tile Level 208		<u>59.84</u>
AL 4 Tile Level 209		<u>62.07</u>
AL 5 Tile Level 210		<u>56.80</u>
AL 6 Tile Level 211		<u>55.35</u>
Residential Care - Non-Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		<u>53.68</u>
AL 2 Tile Levels 202, 206 & 207		<u>49.53</u>
AL 3 Tile Level 208		<u>43.87</u>
AL 4 Tile Level 209		<u>46.10</u>
AL 5 Tile Level 210		<u>40.83</u>
AL 6 Tile Level 211		<u>39.38</u>

Twenty levels of participant rates were offered during the enrollment period. The following amounts are added to the level one rates above to calculate the total rate for each level.

Participant Level	Amount Added to Level 1
Participant — Level 2	.05
Participant — Level 3	.10
Participant — Level 4	.15
Participant — Level 5	.20
Participant — Level 6	.25
Participant — Level 7	.30
Participant — Level 8	.35
Participant — Level 9	.40
Participant — Level 10	.45
Participant — Level 11	.50
Participant — Level 12	.55
Participant — Level 13	.60
Participant — Level 14	.65
Participant — Level 15	.70
<u>Participant — Level 16</u>	<u>.75</u>
<u>Participant — Level 17</u>	<u>.80</u>
<u>Participant — Level 18</u>	<u>.85</u>
<u>Participant — Level 19</u>	<u>.90</u>
<u>Participant — Level 20</u>	<u>.95</u>

The rates for CBA-ERS program services as of 9/1/02 are:

Service	Rate Per	Amount
Emergency Response Services (ceiling rate)	Month	29.34

The rates for CBA-Respite Out of Home program services as of 9/1/02 are:

Service	Rate Per	Amount
Nursing Facility	Day	TILE

Community Based Alternatives

The rates for CBA Home-Delivered Meals program services as of [09/01/02](#) are:

Service	Rate Per	Amount
Home-Delivered Meals (ceiling rate)	Meal	5.92*

* Billing Code C0101

[HHSC](#) has established the following website where the most current rates are found.

www.hhsc.state.tx.us/medicaid/programs/rad/index.html